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State Representative
Rashida Tlaib
6th District

Fax

To: George Czeemak From: Rashida Tlaib
Fax: 312-353-4135 Pages: 8 including cover page
Phone:  Date: 4/5/14
Re: Severstal CC: _____

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MICHIGAN HOUSE OF REPRESENTATIVES

RASHIDA TLAIB
STATE REPRESENTATIVE

May 4, 2014

Mr. George Czerniak
Environmental Protection Agency
Air and Radiation Division
77 W. Jackson Blvd. (A-18J)
Chicago, IL 60604

Dear Mr. Czerniak,

I am growing increasingly concerned that the required oversight for one of Michigan's largest contributors to air pollution, Severstal North America, has been compromised by the current Michigan Snyder Administration.

Recently, an environmental firm exposed attempts by Severstal to not be held to proper air quality standards. The Severstal emails are enough evidence to show that the Michigan Department of Environmental Quality (MDEQ) has been guided through a process that is not putting the people's best interest first. The families I represent live under a tremendous amount of pollution. One out of four children have asthma, and studies have shown that nearby neighborhoods are some of the most polluted zip codes in the state. The MDEQ's Air Quality Division is directed to minimize adverse impacts on human health and environment. However, these emails confirm that they have been clouded by the Michigan Economic Development Corporation (MEDC) leading the discussions on Severstal's violations and compliance. According to the emails the MEDC, the state's business-promoting agency, worked for months behind the scenes as they were being lobbied by Severstal.

As the EPA knows, Severstal is requesting permission to release even higher levels of pollutants and avoid current air quality regulations. The company wants the state to issue a corrections to its 2006 state emissions permit, allowing the release of harmful pollutants at levels up to 725 times higher than the permit initially allowed.

In light of MEDC's role, I am urging the EPA to intervene and takeover the process overseeing Severstal North America. Our families deserve to be protected like any other community. We deserve a fair process that protects us from toxins that we negatively impact our

health and quality of life. It is obvious that there is bias in this process. It is ultimately the responsibility of the EPA to protect our environment. I hope to hear back from your department soon.

Sincerely,

Rashida Tlaib

Rashida Tlaib
State Representative
6th District, Detroit, Ecorse, River Rouge

Enclosure

Cc: Alan Walts, EPA Office of Enforcement and Compliance Assurance

Did Michigan agency lobby to bend rules on pollutants at Dearborn steel mill?

By Keith Matheny Free Press Staff Writer Filed Under Local News Wayne County Dearborn Rick Snyder
May 4, 2014 |

freep.com

Did Michigan agency lobby to bend rules on pollutants at Dearborn steel mill?



The state DEQ is proposing to revise the emissions permit for Severstal Steel in Dearborn to allow for some toxic pollutants such as lead, carbon monoxide, and PM10 (fine dust) to be doubled, tripled, quadrupled, even increased by more than 7200 percent.

The Michigan Economic Development Corp., Gov. Rick Snyder's business-promoting agency, worked for months behind the scenes with one of the state's most flagrantly polluting businesses

as the company lobbied the Michigan Department of Environmental Quality for permission to release even higher levels of pollutants and avoid current air quality regulations, DEQ e-mails obtained by the Free Press show.

The Severstal Dearborn steel plant, one of Michigan's worst air polluters, wants to "correct" its 2006 state emissions permit to allow the release of harmful pollutants at levels up to 725 times higher than the permit initially

allowed.

Plant officials also want their request considered only under 2006 environmental regulations, meaning they would avoid current state and federal rules that would require greater protection of the surrounding neighborhood's air quality — and cost the company millions.

But MEDC's assistance with the process has some residents and environmentalists raising questions.

DEQ e-mails obtained through the state Freedom of Information Act show MEDC became involved after Snyder and MEDC president and CEO Michael Finney attended an opening ceremony for revamped Severstal facilities in Dearborn in June 2012, where steel plant CEO Sergei Kuznetsov expressed his concerns about pollution permit requirements.

MEDC business

ombudsman Amy Banninga, a prominent figure in the e-mails involving Severstal and the DEQ, said she and the corporation were not lobbying on Severstal's behalf or expressing support for its arguments. One of the MEDC's roles is helping businesses navigate interactions with state government, she said.

"We're there to be a conduit of communication

. We don't advocate," she said. "Call me the note-taker or the move-it-forward person. I was there to make sure they stayed on-task, that communication stayed open."

The e-mails, however, show MEDC officials not only presenting Severstal's position before DEQ

<http://www.freep.com/article/20140504/NEWS02/305040079/severstal-emails-worst-air-polluters>

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regulators, but at times appearing to lead the process, setting the agenda and doling out tasks in meetings that included Severstal and DEQ officials — instead of DEQ taking the lead.

■ PDF: DEQ responds to MEDC questions

One task given Severstal in a Sept. 10, 2012, e-mail from Banninga was a so-called “grandfathering analysis” outlining why the company should avoid current pollution regulations, instead being allowed to alter its 2006 permit and operate under six-year-old rules.

Severstal would seem an unlikely choice to get breaks on pollution requirements. The steel mill, operating in an area with the worst air quality in Michigan, has been cited more than two dozen times by the DEQ and U.S. Environmental Protection Agency since 2010 for pollution violations — including ongoing, unresolved pollution exceedances.

Chris Bzdok, an environmental attorney from Traverse City who obtained the DEQ e-mails, said he thinks MEDC acted as more than a facilitator. He questioned the appropriateness of MEDC intervening with another state executive branch agency tasked with protecting the environment and the public's health

☑, particularly for the types of concessions Severstal was seeking.

“I see a steel company and another arm of the State of Michigan seeming to stop at nothing to bend the rules and carve out exemptions — at the last neighborhood in the state and the last facility you should be bending rules for or giving exemptions to,” said Bzdok, who represents a group of neighbors from Dearborn's South End neighborhood near Severstal that have challenged the revised permit.

Whether it was lobbying, communication facilitation, or something else, it apparently worked.

Though the DEQ hasn't yet approved Severstal's “corrected” 2006 air pollution permit, the agency outlined its case for approval in public participation documents

☑ released in February.

DEQ officials went from calling the factory “the most egregious facility in the state” with a “total disregard ... for the air quality requirements” in an August 2012 e-mail, to adopting Severstal's lawyers' arguments for avoiding modern pollution regulations almost verbatim about a year later.

■ PDF: DEQ August 2012 enforcement time line

Severstal spokeswoman Katya Pruett told the Free Press recently that because modifications to the plant occurred in 2006, and because the revised permit would not change any existing plant activities, the company is required to comply with “the rules that were in effect at the time the project was constructed.”

DEQ spokesman Brad Wurfel said the agency was “never uncomfortable with MEDC's inquiries in this particular process,” and likened it to the input offered by environmental organizations on matters before the DEQ.

Affected area residents weren't in the high-level meetings that involved MEDC, noted Rhonda Anderson, environmental justice organizer for the nonprofit Sierra Club.

"This is a total lack of regard," she said. "We have these governmental agencies that are set in place to give us protection. It isn't working, and it hasn't worked."

Snyder spokeswoman Sara Wurfel, regarding concerns about MEDC's involvement in Severstal's efforts before the DEQ, said the governor's office strives to ensure the environment is protected while fostering job and economic growth.

"Those are both roles Gov. Snyder and our team take incredibly seriously. It's certainly not just one or the other, or one at the expense of the other."

Smells, soot, smoke

Severstal's location adds scrutiny to its proposed pollution permit grandfathering. The factory is near the notorious 48217 ZIP code, where residents surrounded by factories and refineries breathe air given a toxicity score by the EPA that's 45 times the statewide average.

Dearborn's South End neighborhood is largely made up of Arab immigrants who live next to Severstal, other industrial plants and the Marathon petroleum refinery.

"This is like Ellis Island; many immigrants come here as a first stop. So they aren't very vocal," said Eman Ali, a neighborhood resident.

Residents endure chemical and petroleum smells, soot and thick smoke that often seems to roll in at night, she said. "The factories release it after it's dark out," Ali said.

At nearby Salina Elementary School, industrial smokestacks loom over the playground not even a quarter-mile away. The school is less than a mile from the Severstal factory. Four students participated in a voluntary practice for the school's track team recently.

When the girls, ages 12-14, were asked whether any had asthma, two of the four raised their hands.

"When I'm running, I can't get enough air into my lungs," said Marwa Ahmed, 12. "I have to use my inhaler."

The girls' assistant track coach, Sandy Elmathil, said she was born and raised in the area.

"When I was younger, I could be outside all day long and be perfectly fine," she said. "Ten to 15 years later, these little ones, most of them have inhalers; they have asthma."

Plant modifications

Severstal, a Russian company, is one of the world's largest in the areas of mining and metals. It created Severstal Dearborn when it purchased the nearly century-old Rouge Steel plant at 4001 Miller Road out of bankruptcy in 2004. Severstal manufactures flat-rolled carbon steel products for the automotive and other industries.

The DEQ in January 2006 granted Severstal a "permit to install" for plant modifications that included installation of particle-capturing baghouses to reduce emissions. But as Severstal officials performed required smokestack compliance testing at the end of 2008, it showed the plant exceeded allowable emissions levels for carbon monoxide, particulate matter, sulfur dioxide, lead, manganese and mercury. The DEQ issued a letter of violation against the facility in late February 2009.

Severstal then began the process of trying to change its 2006 permit to allow the pollution emissions as they were actually occurring. In a March 2009 letter to DEQ, Severstal sought a determination from the agency that it was seeking only to make "corrections" to its existing permit, and would therefore not be "subject to additional permitting requirements."

"This permit correction is not a physical modification, therefore the new standards do not apply," Pruett said, adding that Severstal is "working to resolve all alleged violations."

Grand opening

It was June 21, 2012, when MEDC stepped into the fray for Severstal — less than a week after the EPA had issued notices of violations for 24 different dates of excessive pollution at the factory — and the same day that Snyder and Finney attended the grand opening of Severstal facilities in Dearborn.

An e-mail between Banninga and MEDC program administrator Susan Holben was forwarded to the DEQ, asking for a summary of Severstal's application.

■ PDF: Banninga e-mail to Holben

While Finney was at the Severstal ceremony, Banninga stated, "Mike spoke with Sergei (I think local plant manager) who expressed some concerns on the air permitting process.

"We may not have all of this exactly right, but this is what I took down:

— Severstal thinks DEQ may get EPA involved, and doesn't think that should be. They think they should be grandfathered (sounds similar to Guardian).

— This involvement will add cost and time.

— Can DEQ do anything to help them make this more efficient?

Can you kick the tires over at DEQ and see where this stands?"

In an Aug. 14, 2012, e-mail to DEQ Deputy Director Jim Sygo, Banninga relayed the concerns of Severstal attorneys, asking how DEQ would react to recent pollution test results showing they still exceeded regulatory limits.

"What does DEQ plan to do with manganese results disclosed in Friday's letter from" Severstal environmental engineer "Jim Earl? Continue with the plan, or react?" Banninga asked, later adding, "Maybe we need to force bi-weekly phone calls to stay aligned?"

That prompted a terse response from DEQ Air Quality Division assistant chief Lynn Fiedler in an e-mail to Vince Hellwig, chief of DEQ's Air Quality Division, and others at DEQ two days later.

Fiedler noted that since July 23, 2010, there had been 117 citizen complaints alleging fallout and smokestack violations from varying processes at Severstal; and more than 20 violation notices sent to the company.

"The goal is Severstal's compliance with all applicable federal and state air requirements," Fiedler's e-mail stated in large, bold letters. "This position has not and never will change. There is no uncertainty."

By Sept. 10, 2012, MEDC officials seemed to have gone from kicking the tires at DEQ to driving the bus on Severstal's permit.

■ PDF: MEDC task list to DEQ

"Just a reminder that we will be meeting this Friday to discuss the air permitting process for Severstal. I would like to suggest the following agenda for our meeting," Banninga stated in an e-mail to Severstal attorneys and DEQ officials including Hellwig. Her suggested agenda included a "grandfathering analysis" on whether Severstal's permit could be kept under 2006 rules, but corrected.

Banninga, however, said the task list mentioned in the e-mail was set by Severstal and the DEQ.

The DEQ granted Severstal more time to revise its permit application, and the company submitted it in September 2013. By February, DEQ informed the public it was considering approval of Severstal's corrected permit.

"There will not be any physical changes, changes to the method of operation, or increase in annual production rate/throughput for the equipment ... beyond what was approved in" the 2006 permit, the DEQ's public participation document states.

That language "seems to be extracted from" Severstal attorneys' arguments for why grandfathering the 2006 permit was allowable, Bzdok said. "And it was language the DEQ rejected for a long time."

The public comment period is closed on the permit consideration, and a decision from DEQ is pending.

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